



Airport

DATE: September 9, 2020

FROM: Greg Haug, Airport Director

ITEM: Consider CCH Turbine Lease Amendment 1 and Condominium Agreement.

REQUEST

Please place this item on the 9/22/2020 City Commission meeting agenda.

BACKGROUND INFORMATION

On October 22, 2019 the Board approved a ground lease with CCH Turbine, LLC to build a four bay aircraft hangar on the parcel located on the northeast side of Bismarck Airport. On November 12, 2019 The Board approved abatement of lease payments until weather allows the start of construction in the spring of 2020. CCH Turbine, LLC desires to amend the start date of the lease to coincide with the date construction began. Amendment 1 (Enclosure 1) changes the lease dates of the 30 year term to commence March 16, 2020 and ending March 15, 2050. Airport Staff agrees with the requested amendment.

CCH Turbine owners also request that the City consent to a condominium association agreement, "Vectors to Final Condominium" (Enclosure 2) established by the owners for the building project.

RECOMMENDED CITY COMMISSION ACTION

Approve Amendment 1 to the October 19, 2019 Ground lease agreement with CCH Turbine LLC at Enclosure 1 and consent to the "Vectors to Final Condominium" at Enclosure 2.

STAFF CONTACT INFORMATION

Greg Haug, Airport Director, 355-1808 or ghaug@bismarcknd.gov

2 Enclosures

1. Amendment 1 to October 19, 2019 Ground Lease
2. Vectors to Final Condominium Agreement

ON SEPTEMBER 22, 2020
AGENDA

CONTRACT REVIEW FORM

DEPARTMENT

Contract between the City of Bismarck and CCH TURBINE, LLC

Purpose of Contract: AMENDMENT 1 TO OCT 22, 2019 LEASE

Contract Amount: NO CHANGE EXCEPT RENT STARTS MARCH 16, 2020

Contract Period: CHANGES START DATE TO MARCH 16, 2020, ENDING MARCH 15, 2050.

Funding Source: INCOME TO AIRPORT ENTERPRISE FUND

Project Number: (If needed, send copy to Fiscal)

Comments:

After Mayor's Signature, route to: AIRPORT

Date:

Department Head Signature:

Date:

CITY ATTORNEY

Comments:

City Attorney Signature:

Date:

FINANCE

Comments:

Director of Finance Signature:

Date:

ADMINISTRATION

City Administrator Signature:

Date:

Please send copy of completed contracts to Administration.

ENCL 1

AMENDMENT 1

**TO THE
GROUND LEASE AGREEMENT
DATED OCTOBER 22, 2019
BY AND BETWEEN
THE CITY OF BISMARCK, ND (CITY)
AND
CCH TURBINE, LLC AT THE
BISMARCK AIRPORT**

May 26, 2020

WHEREAS, the City and Lessee have entered into a lease agreement dated October 22, 2019 for Lessee to construct a hangar building; and

WHEREAS, start of construction of the hangar building was delayed by weather; and

WHEREAS, the parties hereto desire to enter into this Amendment 1 to the Ground Lease Agreement dated October 22, 2019, adjusting the start date of the lease to the beginning date of construction;

NOW, THEREFORE, in consideration of the premises provided herein, the rights and privileges and the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto agree, for themselves, their successors and assigns, as follows:

Article 1, Term, paragraph A and Article 3, Rent Fees and Charges, paragraph A of the Ground Lease shall be amended to read as follows:

1. Term

A. The term of this Agreement shall be for thirty (30) years, commencing March 16, 2020 and ending March 15, 2050 unless extended or terminated as provided herein.

3. RENT, FEES, AND CHARGES

A. Commencing on March 16, 2020 Lessee agrees to pay a monthly rent for March of four hundred twenty-seven dollars and four cents (\$427.04) and beginning April 1, 2020 a monthly rent of eight hundred twenty-seven dollars and thirty-one cents (\$827.31) through August 31, 2020. Commencing on September 1, 2020, Lessee agrees to pay the City an annual rent of nine thousand nine hundred twenty-seven dollars and seventy cents (\$9,927.70) as adjusted by the provisions of Article 4 of this agreement.

Except as specifically amended in this Amendment 1, all other terms and conditions of the Ground Lease Agreement remain in full force and effect.

IN TESTIMONY WHEREOF, witness the signature of the parties hereto the day and year written.

RECOMMENDED APPROVAL
TERMS AND CONDITIONS BY:

APPROVED AS TO FORM AND LEGALITY BY:

Gregory B. Haug
Airport Director

Jannelle R.S. Combs
City Attorney

ATTEST:

CITY OF BISMARCK, NORTH DAKOTA

Keith J. Hunke
City Administrator

Steve Bakken
President, Board of Commissioners
Date: _____

ATTEST:

Howard L. Malloy
Managing Member, CCH Turbine, LLC
Date: _____

CONTRACT REVIEW FORM

DEPARTMENT

Contract between the City of Bismarck and VECTORS TO FINAL CONDOMINIUM

Purpose of Contract: DECLARATION TO SUBMIT PROPERTY TO A CONDOMINIUM PROJECT
AND DECLARATION OF RESTRICTIONS

Contract Amount: NA

Contract Period: INDEF

Funding Source: NA

Project Number: (If needed, send copy to Fiscal)

Comments: CITY CONSENT IS REQUESTED BY OWNER.

After Mayor's Signature, route to: AIRPORT

Date:

Department Head Signature:

Date:

CITY ATTORNEY

Comments:

City Attorney Signature:

Date:

FINANCE

Comments:

Director of Finance Signature:

Date:

ADMINISTRATION

City Administrator Signature:

Date:

Please send copy of completed contracts to Administration.

**VECTORS TO FINAL CONDOMINIUM
DECLARATION TO SUBMIT PROPERTY
TO A CONDOMINIUM PROJECT
AND DECLARATION OF RESTRICTIONS**

KNOW ALL MEN BY THESE PRESENTS that CCH Turbine LLC, a North Dakota limited liability company, whose business and post office address is 207 S. Washington St, Bismarck, North Dakota 58504, does by this instrument (the "Declaration") hereby submits the building and improvements to be constructed upon the property described below to the provisions of North Dakota Century Code Chapter 47-04.1, and hereby establishes a condominium project with respect thereto, with the building and improvements to be constructed thereon to be known as Vectors To Final Condominium (the "Project").

1. **Ownership of Property.** The City of Bismarck, North Dakota, a municipal corporation, is the owner in fee simple of the following described property situated in Burleigh County, North Dakota:

Lot 3A of Lot 3, Lot 5A of Lot 5, and Lot 6A of Lot 6, Block 1, Bismarck Airport Addition to the City of Bismarck, pursuant to the Plat filed for record as Document No. 893374.

The above described property is subject to a Lease between the City of Bismarck as Landlord and CCH Turbine LLC as Tenant, commencing March 16, 2020 and ending March 15, 2050 ("Lease"). This Declaration is subject to the Lease and any and all amendments thereto.

2. **Description of Building.** The Project consists of a post frame construction building built with sheet steel exterior and full interior steel liner on a reinforced concrete slab floor with a full perimeter foundation, and taxiways to each Unit. The building shall consist of four individual hanger units (each a "Unit" and collectively "Units"), of which three units are approximately 3840 square feet, and one unit approximately 4800 square feet.

Attached hereto and made a part of this Declaration by reference are documents depicting the Project and showing each Unit, marked as Exhibit "A".

3. **Common Elements.** The common elements will consist of the following:

- (a) The entire Project other than the individual Units, and the central and appurtenant installations for service such as power, light, gas, water and such as may be required by either the utility company serving the area or any governmental subdivision, department or agency having jurisdiction as to energy or related matters. This includes all pipes, ducts, wire, cables and conduits, and water meter,

whether located in common areas or in the individual Units.

- (b) All taxiways and sidewalks.
- (c) All sewer and water pipes.
- (d) Water meter located in Unit 1.
- (e) Wireless router located in Unit 1.
- (f) All exterior walls of the buildings, all walls and partitions separating the Units and all other walls and partitions, the foundations, walls and other columns, girders, beams, supports, main walls and roof.
- (g) All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the building.

4. **Limited Common Elements.** There are no limited common elements within the Project. However, the Association by amendment hereto, may hereinafter designate limited common elements within the Project.

5. **Purpose and Use.** The Units are intended for use as airplane hangars only and no other commercial use or purpose is permitted. Usage of the Units shall at all times comply with the Lease, and all rules and regulations now existing or hereafter adopted by federal, city or state agencies governing the use and operation of the Bismarck Municipal Airport. All transfers of Units shall provide that they are subject to the Lease.

6. **Each Unit's Interest in Project.** Units 1, 2, and 3 have 3840 sf and shall have a 23.53% fractional interest in the Project, and Unit 4 has 4800 sf and shall have 29.41% fractional interest in the Project, and all income and expenses of the Project shall be allocated accordingly. Each Unit shall have an equal fractional interest in the common elements and in any limited common elements.

7. **Encroachments.** If any portion of the common elements or limited common elements shall encroach upon any Unit or if any Unit shall encroach upon any other Unit or upon any portion of the common elements or limited common elements as a result of the construction of the buildings and improvements, or as a result of settling and shifting of the building and improvements, a valid easement for the encroachment and for its maintenance shall exist so long as the building stands.

In the event the building, the Unit, any adjoining Units or any adjoining common elements or limited common elements shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, any resulting encroachment of a part of the common elements or limited common elements upon any Unit or of any Unit upon any other Unit or upon any part of the common elements or limited

common elements shall be permitted, and a valid easement for such encroachments and for its maintenance shall exist so long as the building stands.

8. **Association of Owners.** An Association of the Unit owners, named the Vectors to Final Condominium Association (the "Association") has been formed as a North Dakota nonprofit corporation. The Association shall constitute the administrative body which shall provide for the maintenance, operation, management, and administration of the common elements, limited common elements, assessment of expenses, payment of losses, division of profits, disposition of hazard insurance proceeds and similar matters. The Association shall not be deemed to be conducting a business of any kind.

9. **Association's Bylaws.** Attached hereto and made a part of this Declaration by reference are the Certificate of Incorporation of the Association marked as Exhibit "B" and the Bylaws of the Association marked as Exhibit "C". All present and future owners, contract vendees, tenants and occupants of Units shall be subject to and shall comply with the provisions of all of such instruments and as such instruments may from time to time be amended. The acceptance of a deed or conveyance or the entering into of a lease, or occupancy of any Unit, shall constitute an acceptance of the provisions of all such instruments as they now exist and as they are or may from time to time be amended. Such instruments shall be covenants running with the land and shall bind any person having at any time any estate or interest in a Unit as though such instruments were recited and fully stipulated in each deed, conveyance or lease thereof.

10. **Rights of Association.** The Association shall have the right, to be exercised by the Association's Board of Directors ("Board") or its designee, to enter any Unit at reasonable times as may be necessary to prevent damage or loss to any other Unit or the common elements or limited common elements. All funds received by the Association shall be held and applied for it and for the Unit owners in accordance with this Declaration, the Articles, the Bylaws, and any restrictions, rules and regulations now existing or to be adopted by the Association.

11. **Voting.** Voting on all matters shall be as provided in the Bylaws.

12. **Board of Directors.** The affairs of the Association will be conducted by the Board as provided in the Articles and the Bylaws. In the event of any dispute or disagreement between any Unit owners relating to the Project or any question of interpretation or application of the provisions of these Declarations, the Articles, the Bylaws, or the rules and regulations, a determination thereof by the Board shall be final and binding on each and all of the Unit owners.

13. **Assessments, Charges and Taxes.** Each Unit owner shall pay their proportionate share of all assessments, charges and expenses incident to the administration and operation of the common elements and limited common elements, including water usage metered by common water meter located in Unit 1 and wireless charges associated with router in Unit 1 and usage of wireless services and of any other expenses incurred, in conformance with this Declaration, the Articles and the Bylaws, including, but not by way of limitation, the maintenance and repair thereof and any and all replacements and

additions thereto. Each Unit owner or occupant of any Unit shall bear the charges whether for taxes, utilities, water, and other expenses as may be severally charged or assessed against each such Unit owner or occupant as provided by law. If any Unit owner or occupant shall fail or refuse to make any such payment of common expenses when due, the amount thereof shall constitute a lien as provided by North Dakota Century Code Chapter 47-04.1.

14. Utilities.

- (a) Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit owner shall be required to pay for the electricity consumed or used in their Unit.
- (b) Water supplied by the City of Bismarck serving the units shall be metered by a common meter located in Unit 1 and the Association shall assess the unit owners pursuant to their fractional ownership interest for all water usage, except for excessive individual use as established. Excessive individual use is determined by the Board of Directors of the Association, shall be billed to the respective Unit owner.
- (c) Fuel such as natural gas or propane should it be provided, will be supplied with a public utility company or a private supplier. Each individual Unit connection to the natural gas or propane line will be individually metered and each individual Unit will be required to pay for the gas consumed or used in that Unit. If propane is used, each metered service will be required to pay a prorated share of any tank lease.
- (d) Wireless services shall be provided to the Unit owners through a wireless router located in Unit 1 and the Association shall assess the Unit owners in equal (1/4) shares for the cost of the wireless service including cost of all minutes/data usage.

15. Use of Common Elements. Each Unit owner shall have the right to use the common elements in common with all other Unit owners as may be required for purposes of access and ingress to and use and occupancy and enjoyment of the Unit owned by such Unit owner. Such right to use the common areas shall extend to each Unit owner, spouse, family members, agents, servants, tenants and invitees of each Unit owner. Such rights to use and possess the common areas shall be subject to and governed by the provisions of this Declaration, the Articles, the bylaws, and the rules and regulations. The Association shall have the authority to lease or grant concessions with respect to parts of the common areas subject to the provisions of this Declaration, the Articles, the Bylaws, and the rules and regulations. All income derived by the Association shall be held and used for the benefit of the Unit owners and as the Board may determine or prescribe.

16. **Maintenance, Repairs and Replacements.** Each Unit owner shall furnish and be responsible at their own expense for all of the maintenance, repairs and replacements within their own Unit. Maintenance, repairs and replacements of the common elements or limited common elements, if any there should be, shall be furnished by the Association as the common expenses, subject to the provisions of this Declaration, the Articles, the Bylaws, and the rules and regulations. If due to the act or neglect of any Unit owner or a member of their family or pet or guest or other authorized occupant or visitor of such Unit owner or member of the family, damage should be caused to the common elements or the limited common elements or to a Unit or Units, or any part thereof owned by others, and maintenance, repairs or replacements shall be required which would otherwise be at the Association's common expense, then such Unit owner shall pay for such damage and for such maintenance, repair and replacement as may be determined by the Board to the extent not covered by the Association's insurance.

17. **Alterations, Additions or Improvements.** No alterations of any common elements or limited common elements or any additions or improvements thereto shall be made by any Unit owner without the prior written approval of the Board. Any Unit owner may make nonstructural alterations within their Unit without the prior written approval of the Board, but such Unit owner shall be responsible for any damage to other Units, common elements or limited common elements or the Project, as a result of such alterations, additions or improvements. There shall be no structural alterations or additions to the building without the prior approval of a majority of the Unit owners. Unless otherwise determined, the cost of such alteration or addition shall be paid by means of a special assessment against the Unit owners. Such special assessments shall be secured by a lien in the same manner as common expenses.

18. **Right to Redecorate.** Each Unit owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surface of the walls, ceilings, floors, windows and doors bounding their own Unit.

19. **Severability.** If any provision of this Declaration or of the By-Laws or other instruments made a part hereof is held to be invalid, the validity of the remainder of this Declaration, the By-Laws or other instruments made a part hereof, and the application of any other provision shall not be affected thereby.

20. **Amendment of Declaration.** This Declaration may be amended or modified from time to time by the affirmative vote of 67% of the Unit owners. Amendments may be proposed by the Board or by petition signed by at least 25% of the Unit Owners. No amendment shall change the boundaries of any Unit or any Unit's share of the common costs and expenses, nor the voting rights appurtenant to any Unit unless the record owners of all Units shall join in the execution of the amendment. No amendment shall be effective which shall impair or prejudice the rights or priorities of any mortgages or change the provisions of this Declaration with respect to mortgagees without the written approval of the mortgagees of record. Each amendment shall be certified by the President and the Secretary of the Association as having been duly adopted and shall be effective when recorded in the office of the Recorder of Burleigh County, North Dakota.

IN WITNESS WHEREOF, the developer, CCH Turbine LLC has caused this Declaration to be duly executed this 27 day of July, 2020.

CCH TURBINE LLC

Chad Wachter

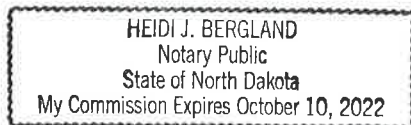
By: Chad Wachter

Its: Member/Authorized Agent

STATE OF NORTH DAKOTA)

COUNTY OF BURLEIGH)

On this 27 day of July, 2020, before me personally appeared Chad Wachter, as the Member/Authorized Agent of CCH Turbine LLC, who acknowledged to me the he executed the above and foregoing instrument on behalf of CCH Turbine LLC.



Heidi J Bergland
Notary Public

CONSENT

The City of Bismarck, a municipal corporation, is fee simple owner of the real estate upon which the Project described herein is to be constructed, and hereby consents and agrees to this Declaration with the attachments and Exhibits thereto, for the purpose of perfecting the establishment of such condominium Project.

Dated this _____ day of _____, 2020.

CITY OF BISMARCK

By: _____
Its: President of Board of City Commissioners

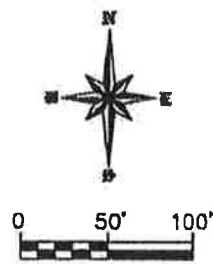
ATTEST

By: _____
Its: City Administrator

STATE OF NORTH DAKOTA)
)ss
COUNTY OF BURLEIGH)

On this _____ day of _____, 2020, before me personally appeared _____, President of the Bismarck City Commission, and _____, City Administrator, who acknowledged to me that they executed the above and foregoing on behalf of the City of Bismarck.

Notary Public



SCALE: 1" = 100'
OCTOBER 10, 2019

LOT AREA: 41,664 SF
LEASE AREA: 41,664 SF
MAINTENANCE AREA: 7,392 SF
BUILDING AREA: 16,320 SF

**PRELIMINARY-NOT FOR CONSTRUCTION,
RECORDING PURPOSES OR IMPLEMENTATION**

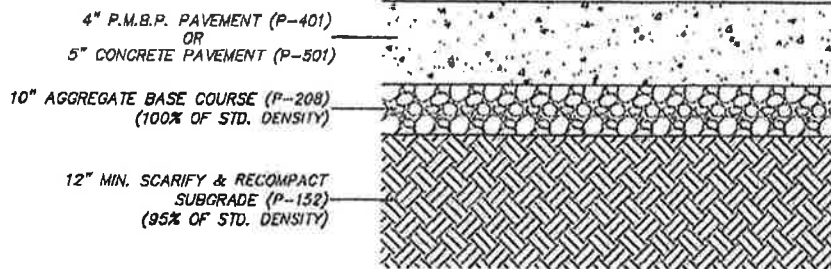
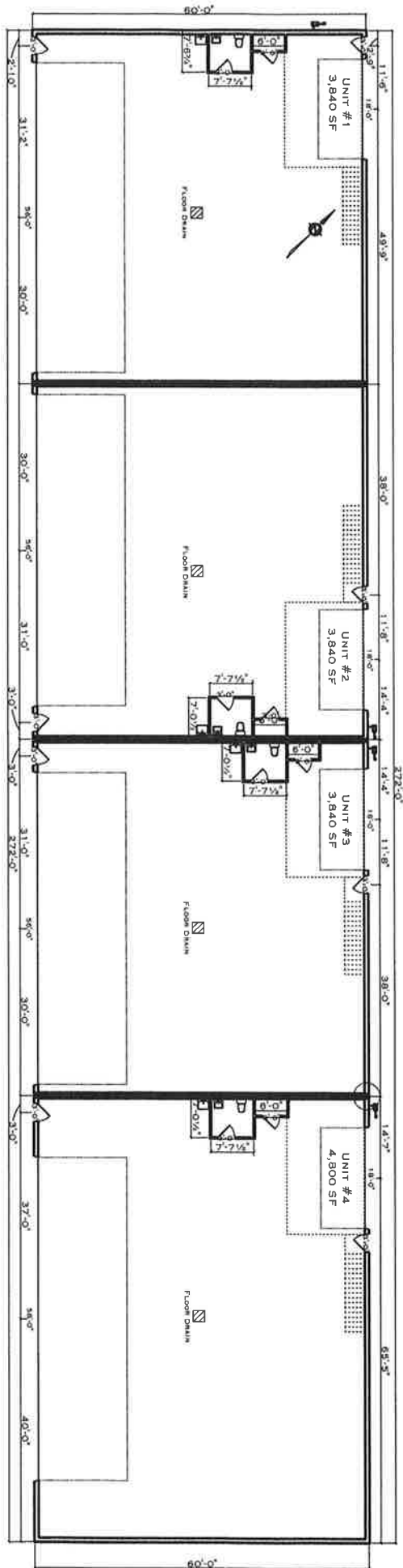
**PAVEMENT SECTION**

EXHIBIT "A" continued



State of North Dakota

SECRETARY OF STATE



Certificate of Incorporation of VECTORS TO FINAL CONDOMINIUM ASSOCIATION

SOS Control ID#: 0005200144

The undersigned, as Secretary of State of the state of North Dakota, hereby certifies that Articles of Incorporation for the incorporation of

VECTORS TO FINAL CONDOMINIUM ASSOCIATION

duly signed and verified pursuant to the North Dakota statutes governing a North Dakota nonprofit corporation, have been received in this office and are found to conform to law.

ACCORDINGLY, the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation to

VECTORS TO FINAL CONDOMINIUM ASSOCIATION

Effective date: July 10, 2020

Filed date: July 10, 2020

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State

EXHIBIT "C"
BY-LAWS OF
VECTORS TO FINAL CONDOMINIUM ASSOCIATION

ARTICLE I

Members

Section 1. Eligibility: The original Members of Vectors to Final Condominium Association, ("Association"), shall consist of the Owners of the aircraft hangar condominium units (hereinafter "Condominium Unit" or "Unit") located in the Vectors to Final Condominium Project ("Project") which Project has or will be constructed upon real property leased by the Association from the City of Bismarck, North Dakota, the property owner. The real property which constitutes the "Project" is located upon the grounds of the Bismarck Municipal Airport and is described as follows:

Lot 3A of Lot 3, Lot 5A of Lot 5, and Lot 6A of Lot 6, Block 1, Bismarck
Airport Addition to the City of Bismarck, pursuant to the Plat filed for record
as Document No. 893374.

Owners are defined as a person, party or entity holding title to a Condominium Unit located in the Project. The Owner and Developer of the Project is Vectors to Final Condominium Association. All parties hereto acknowledge and agree that the Declaration of Project, these By-Laws and the Restrictive Covenants associated with the use and development of the Project are subject and subordinate to the terms of the Lease between the Association and the City of Bismarck.

Section 2. Succession: The Membership of each Owner shall terminate when the member ceases to be an Owner of a Condominium Unit and, upon the sale, transfer or other disposition of the Owner's Ownership interests in the Unit, the Owner's Membership interest in the Association shall automatically be transferred to the new Owner of such Condominium Unit, including, without limitation, those acquiring titles by means of a Sheriff's Deed issued as a result of a mortgage foreclosure or a deed in lieu of foreclosure.

Section 3. Meetings: Meetings of Members shall be held at such place in Bismarck or Mandan, North Dakota, as may be specified in the notice of the meeting. The first annual meeting of the Members shall be held on June 30, 2020, or at such earlier time as the initial Board of Directors shall designate. Thereafter, annual meetings of the Members shall be held on the first Tuesday in June of each succeeding year, beginning at 7 pm. Special meetings of the Members may be called by the President or by a majority of the Directors or by Members having at least one-half of the votes entitled to be cast at such meeting. The notices of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice, unless by consent of two-thirds of the Members present, either in person or by proxy.

Section 4. Notices: It shall be the duty of the Secretary to deliver in person, by electronic mail, or by registered mail a notice of each annual or special meeting of the Members, stating the purpose thereof as well as the time and place where the meeting is to be held, to each member at such member's address as it appears on the records of the Association, or if no such address appears, at such member's last known place of address, at least ten (10) days and not more than thirty (30) days prior to such meeting.

Section 5. Voting: The Association votes attributable to each Condominium Unit shall be one (1) vote per Unit, regardless of the actual number of persons who own the respective Unit. If a Unit is owned by more than one (1) Owner, the voting rights of such unit shall not be divided, but shall be exercised as if the Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Owner. If an Owner assessment fees are in arrears more than ninety (90) days, the Owner shall forfeit the right to vote Until assessment fees are brought into a current balance. Developer may exercise the voting rights with respect to all Units while owned by Developer. Voting may be in person or by written proxy.

Section 6. Quorum: A quorum of Members for any meeting shall be constituted by Members represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

Section 7. Adjournments: If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present either in person or by proxy may adjourn the meeting to another time.

ARTICLE II

Board of Directors

Section 1. Number: Except as provided herein, the Board of Directors of the Association (the "Board") shall consist of four (4) persons, to be elected by a vote of the Members. The term of office for the Directors shall be three (3) years.

Section 2. Qualification: Each Director shall be a Unit Owner or if an Owner is a corporation, partnership or trust, a Director may be an officer, partner of the Owner, except for Directors nominated or designated by Developer. If a Director shall cease to meet such qualifications during such Director's term, such Director shall thereupon cease to be Director and such Director's place on the Board shall be deemed vacant.

Section 3. Vacancies: Any vacancy occurring on the Board may be filled by a majority vote of the remaining Members of the Board.

Section 4. Annual Meetings: The first meeting of a newly elected Board shall be held immediately following the annual meeting of Members, if practicable, and in any event within ten (10) days of election, at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Board shall be present.

Section 5. Regular Meetings: Regular meetings of the Board may be held at such place and times as shall be determined from time to time by a majority of the Directors but at least one meeting shall be held during each calendar year. Notice of regular meetings of the Board shall be given to each Director personally, electronic mail, or by registered mail, at least seven (7) days prior to the day named for such meeting.

Section 6. Special Meetings: Special meetings of the Board may be called by the President on seven (7) days' notice to each Director delivered in person, by electronic mail, or by registered mail, which notice shall state the time, place and purpose of meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of any two (2) Directors.

Section 7. Waiver of Notice: Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8. Quorum: At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time.

Section 9. Removal: Any Director may be removed from office by a seventy percent (70%) majority vote of the available Association votes.

Section 10. Compensation: Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Members.

Section 11. Powers and Duties: The Board shall have the following powers and duties:

- a) To elect and remove the Officers of the Association as hereinafter provided;
- b) To administer the affairs of the Association and the property to the extent permitted by applicable law;
- c) To engage the services of a manager or managing agent who shall manage and operate the property and the common elements and the limited common elements for all of the Owners upon such terms and for such compensation and with such authority as the Board may approve;
- d) To formulate policies for the administration, management, and operation of the property and the common elements and limited common elements thereof;
- e) To provide for the operation, maintenance, repair and replacement of the common elements and payments therefore and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;
- f) To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the property and the common elements, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel who may be the employees of a managing agent);
- g) To appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- h) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses, as hereinafter provided;
- i) To exercise all rights, powers and duties granted to it by the Declaration;

- j) Unless provided herein or in the Declaration, to comply with the instructions of a majority of the Owners as expressed in a resolution duly adopted at any annual or special meeting of the Members.

Section 12. Non-Delegation: Nothing in this Article II or elsewhere in these By-Laws shall be construed to grant to the Board or to the Officers of the Association any powers or duties which by law or by the Declaration have been delegated to the Owners.

ARTICLE III

Officers

Section 1. Designation: At each annual meeting, the Board shall elect the following officers of the Association:

- a) A President who shall be a Director and who shall preside over the meetings of the Board and of the Members, and who shall be the chief executive officer of the Association;
- b) A Vice-President who shall in the absence or disability of the President perform the duties and exercise the powers of the President;
- c) A Secretary who shall keep the minutes of all meetings of the Board and of the Members and who shall in general perform all of the duties incident to the office of Secretary and who may be a representative of the managing agent;
- d) A Treasurer who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and
- e) Such additional officers as the Board shall see fit to elect.

Section 2. Powers: The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term: Except as provided in Section 4, each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

Section 4. Vacancies: Vacancies in any office shall be filled by the Board at regular or special meetings thereof. Any officer may be removed at any time by the Board at a regular or special meeting thereof.

Section 5. Compensation: The Officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by the Members.

Section 6. Bonding: The Board shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE IV

Assessments

Section 1. Annual Budget: The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, real estate taxes, legal and

accounting fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power and all other common expenses. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of any of the common elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements in reasonable amounts as determined by the Board. To the extent that the assessments and other cash income collected from the Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit as the cash may be shall also be taken into account.

Section 2. Assessments: The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Owner not later than ninety (90) days after the beginning of such year. The Board shall provide each Owner with a summary of the proposed annual budget and the Board shall set the monthly assessments for each Condominium unit Owner. The Board shall be authorized to fund, by way of assessments, a reserve or "rainy day" fund in an amount the Board, in its discretion, deems reasonable and appropriate. The Board shall be authorized to modify the monthly assessments as time passes and events unfold. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly or quarterly assessments for any year or shall be delayed in doing so, each Owner shall continue to pay the amount of such Owner's respective monthly or quarterly assessment as last determined. Each Owner shall pay such Owner's periodic assessment on or before the first day of each month or quarter, as the case may be, to the manager, managing agent or as may be otherwise directed by the Board. No Owner shall be relieved of that Owner's obligation to pay said Owners assessments for common expense by abandoning or not using said Owner's Condominium unit or the common elements. Units 1, 2 and 3 shall be assessed, be responsible for and shall pay 23.53% of the total Project Assessments. Unit 4 shall be assessed, be responsible for and shall pay 29.41% of the total Project Assessments.

Section 3. Partial Year of Month: For all fiscal years prior to the first annual meeting of Members, the annual budget shall be as approved by the first Board. If such first year or any succeeding year shall be less than a full year, then the monthly assessments for each Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of an Owner's unit by each Owner, such Owner shall pay such Owner's assessment for the following monthly or quarterly period or fraction thereof, which assessment shall be in proportion to such Owner's respective Ownership interest in the common elements and the number of days remaining in the period covered by the current annual budget, and which assessment shall be as computed by the Board. No Condominium unit shall be conveyed or transferred unless and until all outstanding assessments have been paid current.

Section 4. Annual Report: Within ninety days after the end of each year covered by an annual budget or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Owner a statement for such year so ended showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Supplemental Budget: In the event that during the course of any year it shall appear to the Board that the periodic assessments determined in accordance with the estimated annual budget for such year are insufficient or inadequate to cover the estimated common expenses for the remainder of the year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Owner and thereupon a supplemental assessment shall be made to each Owner for such Owner's proportionate share of such supplemental budget.

Section 6. Capital Expenditures: Except as otherwise specifically provided in the Declaration, the Board shall not approve any capital expenditure in excess of \$10,000 unless required for emergency, repair, protection or operation of the common elements, nor enter into any contracts for more than two (2) years without first obtaining the approval or affirmative "vote" of sixty percent (60%) of the available Association votes.

Section 7. Lien: It shall be the duty of every Owner to pay each Owner's proportionate/allocated percentage of the common expenses. If any Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof shall constitute a lien against the unit and a personal obligation of the unit Owner, provided however that such lien shall be subordinate to the lien of a prior recorded first mortgage the Association and the Board shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Declaration or these By-Laws or otherwise available at law or in equity for the collection of all unpaid assessments. In the event the Association deems it necessary or appropriate to commence a legal action to enforce or interpret the terms of these Bylaws or to enforce or foreclose a lien filed by the Association against a unit, the Court shall award actual reasonable attorney fees and costs to the substantially prevailing party.

Section 8. Records and Statement of Account: The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the common elements specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. All records and vouchers authorizing payments shall be available for examination by the Owners at convenient hours during week days. The Board shall, upon receipt of ten days' notice to it or the Association and upon payment of a reasonable fee, furnish any Owner a statement of such Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

Section 9. Discharge of Liens: The Board may cause the Association to discharge any lien or other encumbrance which in the opinion of the Board may constitute a lien against the property or the common elements rather than against a particular unit Ownership only. When less than all of the Owners are responsible for the existence of any such lien, the Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including, but not without limitation, attorney's fees incurred by reason of such lien.

ARTICLE V

The Declaration

The provisions of the Declaration for the Vector to Final Condominium Association Project are hereby incorporated herein by reference as if fully and completely set forth herein.

If there is any conflict between the Declaration and the By-Laws of the Association, then the Declaration to Submit Property to a Condominium Project and Declaration of Restrictions shall prevail.

ARTICLE VI

Contractual Powers

No contract or other transaction between the Association and one or more of its directors or between the Association and any corporation, firm or association in which one or more of the directors of this corporation are directors, or are financially interested, is void or voidable because such director or

directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

- a) The fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors;

or

- b) The contract or transaction is just and reasonable the perspective of the Association at the time it is authorized or approved.

ARTICLE VII

Liability of Officers and Directors

Section 1. Exculpation: No Director or Officer of the Association shall be liable for acts or defaults of any other Officer or Member or for any loss sustained by the Association or any member thereof, unless the same has resulted from willful misconduct or gross negligence.

Section 2. Indemnification: Every Director and Officer of the Association shall be fully indemnified by the Association against all reasonable costs, expenses and liabilities (including legal fees and costs) actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been an Officer or Director of the Association whether or not he continues to be such Director or Officer of the Association at the time of the incurring or imposition of such costs, expense or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be guilty of willful misconduct or gross negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representative of such person.

Section 3. Arbitration of Disputes/Legal Fees and Costs. In the event of a disagreement or dispute between Officers, Directors and/or Unit Owners, it is agreed that all such disputes shall be resolved by binding arbitration, which arbitration proceeding shall be in conformity with the rules of the American Arbitration Association. In the event of a dispute or disagreement, the disputing parties shall endeavor to agree on the identity of a single arbitrator to hear, determine and resolve the dispute or disagreement. If the parties are unable to agree on the identity of a single arbitrator, then and in that event, each disputing party shall select an arbitrator with the arbitrators so selected selecting one additional arbitrator, with the arbitrators so selected constituting the arbitration panel. In all cases, all arbitrators shall be skilled in the areas of banking, real estate, law or finance. All arbitrators shall be free of bias and conflict of interest. The decision of the single arbitrator or of the arbitration panel, as the case may be, shall be fully and finally binding on all parties. The arbitrator or arbitration panel, as the case may be, shall award attorney fees and arbitration costs to the substantially prevailing party(s). The arbitration proceeding shall be venued in Burleigh County, North Dakota. Any party shall be authorized to seek a judgment from a court of competent jurisdiction in conformity with the arbitration award.

Vectors to Final By-Laws, page 8

ARTICLE X

Application of By-Laws

These By-Laws shall be applicable to the Vectors to Final Condominium Association and to the Project as established under Declaration to Submit Property to a Condominium Unit Project and Declaration of Restrictive Covenants.

Dated this 20 day of July, 2020.

VECTORS TO FINAL OWNERS ASSOCIATION, INC.

BY: 
Howard Malloy, Manager/Agent and personally

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF BURLEIGH)

Acknowledged before me this 20 day of July, 2020 by Howard Malloy, personally and as agent of Vectors to Final, Inc.

TAMI STECHER
Notary Public
State of North Dakota
My Commission Expires January 26, 2023


Notary Public

Approved:



Chad Wachter



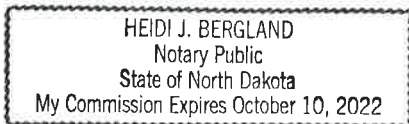
Roger Domres



Chris Krein

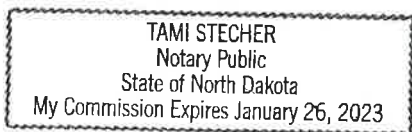
STATE OF NORTH DAKOTA)
) ss.
COUNTY OF BURLEIGH)

Acknowledged before me this 20 day of July, 2020 by Chad Wachter.


Notary Public

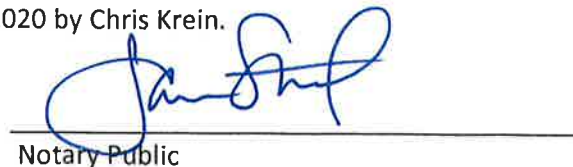
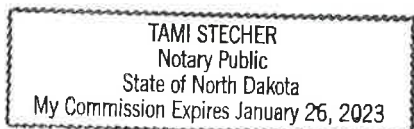
STATE OF NORTH DAKOTA)
) ss.
COUNTY OF BURLEIGH)

Acknowledged before me this 20 day of July, 2020 by Roger Domres.


Notary Public

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF BURLEIGH)

Acknowledged before me this 20 day of July, 2020 by Chris Krein.


Notary Public

VECTORS TO FINAL CONDOMINIUMS

DECLARATION OF RESTRICTIONS

WHEREAS, your undersigned are Owners and Grantors of **Units 1, 2, 3, and 4, Vectors to Final Condominiums, located on**

Lot 3A of Lot 3, Lot 5A of Lot 5, and Lot 6A of Lot 6, Block 1, Bismarck
Airport Addition to the City of Bismarck, pursuant to the Plat filed for record
as Document No. 893374
[“Premises”]; and

WHEREAS, upon the Premises there has been constructed one (1) metal sided Building [the **“Building”**] to be divided into four (4) condominium **“Units”** described as Units 1, 2, 3 and 4, Vectors to Final Condominiums; and

WHEREAS, as reflected on the DECLARATION TO SUBMIT PROPERTY TO A CONDOMINIUM PROJECT AND DECLARATION OF RESTRICTIONS, your undersigned have submitted the Premises to the terms and conditions of a condominium Project (the **“Project”**), including use restrictions and covenants which pertain thereto; and

WHEREAS, the Project is managed by the Vectors to Final Condominium Association [the **“Association”**].

WHEREAS, the undersigned Owners deem it appropriate to develop and establish covenants and conditions of use with respect to the Project and the individual condominium Units located therein;

NOW THEREFORE, in consideration of the Premises, the undersigned hereby establish and declare the following Building and use restrictions and protective covenants which shall be applicable to the Premises:

PURPOSE

The purpose of these restrictions is to insure the use of the property and the Premises for and as an aircraft hangar, appropriate storage and other approved commercial purposes only, to prevent nuisances, to prevent the impairment of the attractiveness of the property, and to maintain the desired tone of the facility and thereby to secure to all condominium Owners the full use and enjoyment of his or her property, with no greater restriction on the free and undisturbed use of the site than is reasonably necessary to insure the same advantages to the other condominium Owners.

PERSONS BOUND BY THE COVENANTS AND RESTRICTIONS

All persons, corporations or other entities, who shall hereafter acquire any interest in and to a Building or individual condominium Unit, hereinafter referred to as Owners, shall be taken to hold and agree and covenant with the other Owners of Units in the Project and with their heirs, successors and assigns, to conform to and to observe the following covenants, restrictions and stipulations as to the use thereof, and as to the construction and use of improvements thereon. By purchasing an interest in and to a project condominium Unit, the Owners consent, and agreed to be bound by the terms and conditions set forth in these Restrictive Covenants. All Owners of Lots in the Project shall be members of the Vectors to Final Condominium Association and shall be subject to the Bylaws of such Association.

BUILDING AND USE RESTRICTIONS

1. **FEDERAL AVIATION ADMINISTRATION AND CITY OF BISMARCK RULES AND REGULATIONS.** Your undersigned, for themselves and for their successors and assigns, acknowledge and agree that the rules and regulations of the Federal Aviation Administration and the terms and conditions of the Lease of the subject Premises with the City of Bismarck, Burleigh County, North Dakota, are and shall remain in all ways controlling and shall be deemed superior to and shall supersede the terms and provisions of these Covenants and the Bylaws of the Vectors to Final Owners' Association. In the event of a conflict between the terms and conditions of these covenants and the Association Bylaws, and the rules and regulations of the Federal Aviation Administration and/or the terms of the Lease for the City of Bismarck, the rules and regulations of the Federal Aviation Administration and the terms and conditions of the Lease with the City of Bismarck shall be in all ways controlling.
2. **USE OF PROPERTY.** All condominium Units within the Project shall be used solely for aircraft storage and approved commercial purposes that fall within the applicable provisions of the Federal Aviation Administration, the Lease with the City of Bismarck and local zoning ordinances. However, the following uses are excluded: Manufacturing, compounding, processing, packaging, treatment or assembly of consumable products including but not limited to: bakery goods, candy, dairy products, food products, yeast, and the rendering or refining of fats and oils.

No part of the subject Premises shall be used for human, animal or insect storage or occupancy.

Except as provided herein, the driveways and common parking areas located on the Project shall not be used for maintenance, storage, "long-term parking" or repair of any personal property including, without limitation, vehicles, trailers, trash receptacles, vehicles, boats, watercraft equipment, construction equipment, tools or Building materials. As used herein, the phrase "long-term parking" shall be defined as the placement, parking or storage of personal property, including, without limitation, trailers, trash receptacles, vehicles, boats, water craft, equipment, construction equipment, tools or Building materials, in the designated common parking areas or on a driveway in the Project for a period of 14 calendar days, or such lesser or greater time as the Vectors to Final Condominium Association, in its sole discretion, deems reasonable and appropriate.

As provided herein, and in the Declaration, the Owner's Association shall be empowered and authorized to establish, from time to time, and to enforce more restrictive rules with respect to the use and enjoyment of the driveways and common parking areas.

No part of the Premises shall be used in a manner which violates any local, county, state or federal code, ordinance, regulation or statute. No Owner shall store or allow to be stored anywhere on the subject Premises any item which would constitute a violation of any fire, health, or safety code or order imposed by the state, the federal government or a local board of health, sanitation or police or fire departments, or the Federal Aviation Administration.

No Unit shall be used for any purpose which violates the terms of the terms or provisions of the special form insurance, with standard exceptions, as discussed at Section 20, below, or the applicable fire code. In the event any Unit is used for a purpose which requires an insurance rider or which results in an increase in insurance premiums, the entire cost of such rider and/or

premium increase shall be the sole responsibility of and shall be paid by the Owner of the applicable Unit, as an additional assessment.

No Unit shall be used for a purpose which causes or results in excessive or offensive noise, smoke or odors. What is or is not excessive or offensive noise, smoke or odors shall be determined by the City of Bismarck, as Lessor, or the Vectors to Final Condominium Association, in their respective sole discretion.

3. **ENVIRONMENTAL REGULATIONS.** All Owners will abide by all applicable Environmental restrictions and regulations that apply by federal, state, county and municipal law.
4. **CONSTRUCTION.** No other existing or prefabricated structures, sheds or storage Buildings shall be moved, placed or permitted on the Premises.
5. **SUBDIVISION OF A CONDOMINIUM UNIT.** Except as provided in the Declaration, no condominium Unit shall be further subdivided without the prior written, only, consent of the Owner's Association.
6. **LEASING OF A CONDOMINIUM UNIT.** No Owner shall be allowed to lease a condominium Unit to a third party or person without the prior written consent of the Owner's Association, which consent shall not be unreasonably withheld or delayed. Each Owner who intends to lease such Owner's Unit to a third party shall a) memorialize the proposed tenancy in written Lease Agreement, b) deliver a copy of the proposed written lease to the Owner's Association for approval, and c) deliver a copy of these Restrictive Covenants to the Tenant. Each Unit Owner shall be and remain solely responsible to carefully supervise such Unit Owner's Unit and the Owner's Tenant(s) to ensure the Tenant, and the Tenant's employees, agents and invitees, use and maintain the Unit in strict compliance with the terms of these Restrictive Covenants and the Association By-laws. Each respective Unit Owner shall be and remain solely responsible for the acts or failures to act of such Unit Owner's Tenant(s) and guests and invitees. Upon receipt of the proposed written Lease document, the Association shall have ten (10) business days to issue notice to the Owner, at Owner's last known address, rejecting or accepting the Lease, and, in the absence of such notice, the proposed Lease shall be deemed approved.

The Association shall have the right to require the eviction of any Tenant that violates the terms of these Restrictive Covenants, the terms of the City of Bismarck Lease, the Federal Aviation Administration Rules and Regulations, or the Association By-Laws. Owners who intend to lease a Unit to a third party shall include a provision in the written Lease that the Lease may be terminated and the Tenant evicted if the Tenant violates the terms of these Restrictive Covenants or the Association By-Laws. The Unit Owner shall be responsible for any damage to the Premises as inflicted by a Tenant or the Tenant's employees, agents, representative or guest of a Tenant.

7. **EXTERIOR STORAGE.** Except as described at Section 2, USE OF PROPERTY, directly above, no vehicles, trailers, mobile homes, boats, pontoons, watercraft, motor homes, equipment, refuse containers, barrels, tanks, Building materials, inventory items, or refuse or other personal property shall be parked, placed or stored outside of a condominium Unit or Building, including driveway pads, driveways, streets and common parking areas. Operable vehicles may be parked on the common parking spaces as set forth on the site plan for the Project, subject to the 'long-term parking' provision at Section 1, above.

8. **PETS.** Absolutely no dogs, cats, horses, cows, hogs, goats, or other animal shall be kept or maintained anywhere on the subject Premises.
9. **PEST CONTROL.** If there is a pest issue in the Premises then the Owner of the condominium Unit found responsible shall engage at its expense a pest extermination contractor for the Premises to maintain satisfactory pest control.
10. **TRASH AND REFUSE.** Except as provided below, no trash, ashes or other refuse may be thrown, dumped, or stored on the Premises. All trash or other refuse shall be stored in trash cans and promptly removed from the Premises. Except as provided herein, all such trash canisters, containers and cans shall be and remain within the interior of the individual condominium Units. No trash receptacle or trash can shall be stored on the driveway pads, the driveways or on any parking area in the Project. Upon written consent/approval of the Owner Association, "community" trash receptacles/dumpsters may be placed on the Premises with the cost of operating the same to be divided, assessed and paid as per the decision of the Owner's Association.
11. **FENCES.** No fence shall be erected on the Premises without prior written consent of the Owners Association.
12. **POLLUTION CONTROL.** In the interest of public health and sanitation, and so that the land above-described and all other land in the same locality may be benefitted by a decrease in the hazards of stream pollution and by the protection of water supplies, recreation, wildlife, and other public uses, grantee will not use the above described property for any purpose that would or may result in the pollution of any waterway by refuse, sewage or other material that might tend to pollute the waters of any stream or impair the ecological balance of the surrounding land. All garbage must be maintained in steel, metal, plastic or concrete constructed containers.
13. **HEATERS AND FURNACES.** No coal, wood, grain, wood pallet, oil or propane heaters or furnaces shall be utilized or operated within the Project, or any portion thereof. Natural gas and/or electrical heaters and furnaces may be utilized.
14. **SNOW REMOVAL, YARD MAINTENANCE.** Except as provided herein, the cost of snow removal, yard maintenance and lawn mowing services for the Project shall be deemed a common expense and shall be shared by all condominium Unit Owners in accordance with the allocation percentage described in the Declaration Document. It shall be each respective condominium Unit Owner's responsibility to promptly push snow a minimum of six (6) feet away from the front of such Unit Owner's condominium Unit. It shall be further be each respective individual condominium Unit Owner's responsibility to promptly remove ice from the entire concrete parking pad in front of each respective condominium Unit Owner's overhead and walk-through door. The Owners' Association shall not be responsible for injury to persons or property which result, in whole or in part, from the accumulation of ice on any walkway, driveway or pad.
15. **CAPITAL IMPROVEMENTS AND MAINTENANCE.**

A. **IMPROVEMENTS.** It is further covenanted by all Owners of condominium Units within the Project, for themselves, their successors and assigns, that in the event the Unit Owners, their successors or assigns, as Owners of sixty-six percent (66%) majority vote of the available condominium Project votes, should decide to further construct or otherwise improve Association common elements, each condominium Unit shall bear its share of the cost of such improvements in the same proportion as the allocation percentage set forth in the Association Bylaws.

B. **MAINTENANCE.** It is further covenanted by all condominium Unit Owners, for themselves, their successors and assigns, that should sixty-six percent (66%) of the available condominium Project votes decide that, in the best interest of the Project, general upkeep and repairs of the roads, common areas, or other improvements of the subdivision are necessary, each condominium Unit shall bear its proportionate 1/3rd share of the cost of such general upkeep and repairs.

C. **MAINTENANCE AND IMPROVEMENT COVENANTS TO RUN WITH THE LAND.** These covenants shall run with the land, and the cost of the improvements, upkeep and repair referred to above shall be a personal debt of the Unit Owner and a charge on the condominium Unit and whatsoever hands it shall be at the time of such improvements. If payment of a condominium Unit's share of the above-referenced costs is not received within thirty (30) days of written notice requesting payment thereof, a majority (51%) of the condominium Unit Owners, or their agents, or the Board of Directors of the Association shall be authorized to cause a lien to be filed on said condominium Unit to secure payment of said costs. Any and all legal fees accrued or incurred by the members and/or Association in enforcing a lien or in the collection of delinquent assessments shall be paid by the delinquent Unit Owner and such legal costs and fees shall be deemed an additional lien against said condominium Unit. In the event a party should fail or refuse to pay its assessment for such maintenance and improvement costs, and in the event a legal action is commenced to collect or foreclose the lien described herein, then, and in that event, the Court shall award actual reasonable attorney fees and costs to the substantially prevailing party.

D. **ASSESSMENTS TO BE DEEMED A PERSONAL DEBT AND A LIEN.** The foregoing assessments shall be deemed the personal obligation of the Unit owner and a Lien against such Unit. In the event a legal action is commenced by the Association to a) collect a past due assessment or to foreclose a lien filed against a Unit, or b) to enforce the terms of these Covenants, the Court shall award actual reasonable attorney fees and costs to the substantially prevailing party.

16. **SIGNAGE.** The Owner may not install signs in, on and about the Premises without the prior written approval of the Board of the Condominium Association, and subject to the terms of the Lease with the City of Bismarck and all applicable local laws and ordinances.

17. **COMMON ELEMENTS.** The common elements of the Project are identified in Section 3 of the Vectors to Final Declaration to Submit Property to a Condominium Project. The common elements shall be used for the common benefit of all condominium Owners of the Project. Except as provided below, the Owners Association shall have sole power, authority and discretion regarding the use of the common areas. The Owners Association shall be authorized to institute, implement and enforce rules and regulations concerning the use of common areas, including, without limitation, all driveways and walkways. Those parking areas in front of a Unit's overhead garage door and walk-thru door and in those areas directly adjacent to and in front of each

respective condominium Unit shall be reserved for the exclusive use of such condominium Unit Owner, and such Owner's guests and invitees.

The common areas shall further include all structural walls, the concrete floor, the outer surface of the ceiling, the roof system, all exterior walls, and common electrical, plumbing and communications systems.

18. **ANTENNAS AND SATELLITE DISHES.** No antennas or satellite dishes shall be allowed on the exterior of any condominium Unit, without the express written consent of the Owners Association.
19. **COLLECTION OF REAL ESTATE TAXES ON COMMON AREAS.** The Owner Association shall have the right, power and authority to collect real estate taxes and special assessments with respect to common areas. The assessment for such real estate taxes and special assessments shall be allocated to and paid by the Owner of each respective condominium Unit, utilizing the allocation percentages set forth in the Bylaws of the Vectors to Final Condominium Association.
20. **FUTURE RULES AND REGULATIONS.** The Owners Association reserves the right and authority, in its sole discretion, to make, implement and enforce such other and additional rules and regulations, from time to time, as may be deemed reasonable and appropriate for the safety, care and cleanliness of the Project and for securing the comfort and convenience of all occupants thereof.
21. **INSURANCE.**
 - a. The Owner(s) of each individual condominium Unit(s) within the Project shall obtain, retain and maintain, the following insurance coverage: Public Liability Insurance in the sum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate, for damage or injury to person or property, which policy shall specifically name the Vectors to Final Condominium Association as an additional insured. Each Owner shall also retain and maintain all peril insurance on the contents of such Owner's Unit and on all improvements constructed thereon or attached thereto, which policy shall name the Association as a loss payee.
 - b. The Owners Association will **not** carry or maintain insurance on the contents of or the improvements installed in or attached to a Unit Owner's condominium Unit. It is recommended that each Unit Owner secure appropriate insurance coverage for losses or damage to such contents and improvements.
 - c. The Owners Association shall obtain, retain and maintain 1) special form/all peril (fire, wind, storm) insurance, with standard exclusions, on the Project to 100% of the current replacement cost of the Project Building; 2) liability insurance in a sum not less than \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate for bodily injury and property damage; and Directors and Officers insurance on the Association Board of Directors. The cost of said insurance shall be deemed an Owners Association expense to

be allocated among the condominium Unit Owners utilizing the allocation percentage set forth in the Declaration for the Project.

- 22. COVENANTS TO RUN WITH THE LAND.** These covenants and restrictions are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date these covenants and restrictions are recorded, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by sixty-six percent (66%) of the available Owners Association votes has been recorded, agreeing to change said covenants in whole or in part. Invalidity of any of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

RIGHT TO ENFORCE

The covenants and restrictions herein set forth shall run with the land and bind present condominium Unit Owners, their respective heirs, devisees, trustees, successors and assigns, and any and all other parties claiming by, through, or under them, shall be taken to hold, agree and covenant with the Owners of said condominium Units, their heirs, devisees, trustees, and assigns. The Association and/or the Owner or Owners of any of the condominium Units shall have the right to sue for and obtain an injunction prohibitive or mandatory to prevent the breach of, or to enforce the observance of the covenants and restrictions above set forth, in addition to ordinary legal action for damages; and the failure of the Association or of an Owner(s) of a condominium Unit to enforce the covenants and restrictions herein set forth shall not be deemed as a waiver of the right to do so.

The above covenants and restrictions may be altered or amended at any time upon the placing of record at the office of the County Clerk and Recorder of Burleigh County, North Dakota, of an instrument showing the written consent thereto by the Owners of at least sixty-six and two-thirds percent (66 2/3%) of the above described condominium Units. However, until such time as all condominium Units are sold, transferred or conveyed by Developer, to a third party(s), these covenants may be amended only upon the express written consent of Developer.

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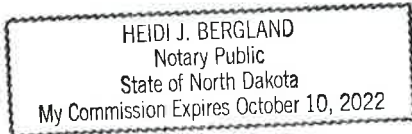
Dated this 27 day of July, 2020.

CCH TURBINE LLC

BY: Chad Wachter
Chad Wachter, Member/Authorized Agent

STATE OF NORTH DAKOTA)
) SS.
COUNTY OF BURLEIGH)

On this 27 day of July, 2020, before me, a notary public within and for said county and state, personally appeared Chad Wachter, Member/Authorized Agent of CCH Turbine LLC, known to me to be the person described in and who executed the within and foregoing instrument and who acknowledged to me that he executed the same in behalf of said limited liability company.



Heidi J. Bergland
Notary Public